IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1547

GENERAL RADIO COMPANY, *Petitioner-Plaintiff*

v.

KEPCO, INC., *Respondent-Defendant*

REPLY BRIEF OF PETITIONER IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

Respondent's brief in opposition to this petition belittles the issues raised by petitioner and denies that the appellate court has, by its actions, unconstitutionally or otherwise effectively deprived petitioner of its trial in the District Court or that the Court of Appeals has failed to follow the mandates of the Supreme Court or the current practices of other Courts of Appeals in connection with either the Federal Rules of Civil Procedure (52a) or *Graham* v. *Deere.*

With regard to the discussion of petitioner's questions, respondent can point to only two findings of the District Court that, by any stretch of the imagination, can be said to have been considered in any manner by the Court of Appeals.

The mere fact, however, that a Court of Appeals makes a conclusory statement that any "material in

the patent in suit would be fully obvious to one skilled in the art familiar with Hoag", while ignoring the specific detailed findings of the District Court as to the complete impertinence of Hoag (and also Woll) does not mean that there has been the kind of due process consideration required in appellate procedure.

How, indeed, can a legal conclusion that the invention "would be fully obvious" possibly apply when the following lower court facts, unchallenged, unmentioned and untreated by the Court of Appeals, stand in the case?

1. The decision of the Court of Appeals, on its face, shows that no attention whatsoever was given to the required findings in *Graham* v. *Deere* as to the "differences between the prior art *and the claims* at issue", which the Supreme Court said must "be ascertained".*

Since the District Court did such ascertaining and found it impossible to apply the prior art (A. 14a-20a, 24a-25a, 38a-40a, 46a), which was in no sense challenged or even mentioned or treated with in the Court of Appeals decision, this alone demonstrates that the Court of Appeals violated *Graham* v. *Deere* and, of course, Rule 52(a). More than this, because the District Court has unequivocally shown the impossibility of anticipating these "differences" in the prior art, the clear error of the fiat of "obviousness" is all the more evident.

2. Again, the decision of the Court of Appeals, on its face, shows the complete ignoring of the specific

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* The respondent concedes that the Court of Appeals in this case still continues to apply the doctrine of the *A & P* case, pointing out the vital interest in promptly settling the issue of the controlling law for all future patent litigation on *combination* patents.

findings required as to "the *level* of ordinary skill in the pertinent art", also mandated by the Supreme Court in *Graham* v. *Deere.*

The findings of the District Court as to that "level or ordinary skill" (A. 24a-26a, 46a, 47a) were not found erroneous or even treated with by the Court of Appeals, again demonstrating the impossible correctness of the conclusory fiat of "obviousness".

3. The decision of the Court of Appeals, on its face, is completely barren of a single finding or treatment as to the issues of "long felt but unsolved needs" (detailed by the District Court at A. 12a-14a, 23a-26a, 46a); or the "failure of others" (found by the District Court at A. 12a-14a, 23a-26a, 46a); or "commercial success" or "the circumstances surrounding the origin of the subject matter" (detailed by the District Court at A. 25a, 26a, 46a, 47a); or *"against this background"* determining the question of obviousness of the subject matter of the claims (done by the District Court at A. 15a-17a, 20a, 24a-26a, 39a, 40a, 46a)—all mandated by the Supreme Court in *Graham* v. *Deere.*

This is thus, contrary to respondent's assertion, an aggravated situation of a deliberate failure not just to make all of the inquiries required by *Graham* v. *Deere,* but illegally to ignore the strong findings made by the District Court in pursuance thereof merely to reach a different preconceived conclusion.

We should like, also, to call this court's attention to the fact that this is *not* a case of the type referred to in *Wabash Corp.* cited on pages 6 and 7 of respondent's brief, dealing with documentary evidence. In this case, actual prior art and invention circuits and equipments were presented and even op-

erated for the District Court, with measurements taken of the performance, and with expert testimony (some conflicting) interpreting the measurements and the performance and operation—all giving the District Court an understanding of prior art and the invention that could never be obtained from the mere patent documents.

This action by the Court of Appeals, indeed, introduces a double standard of appellate procedure and is diametrically contrary to the manner in which other Courts of Appeals are treating with Rule 52(a). Thus, in *Rockwell et al.* v. *Midland-Ross Corporation* (Feb. 19, 1971) 169 USPQ 5, the Court of Appeals for the Seventh Circuit, in complete contradiction of the Court of Appeals for the Second Circuit in petitioner's case, has just held, p. 8:

> "Where the findings of the district court comparing the disclosures of the prior art to the patent claims and the accused structure are, in large part, based on expert testimony, we cannot consider the issues as though we were a nisi prius court. Armour Research Foundation v. C. K. Williams & Co., 7 Cir., 280 F.2d 499, 503, 126 USPQ 218, 221 (1960). The findings in the instant case have their genesis in expert testimony and they shall not be disturbed on appeal unless clearly erroneous. Fed.R.Civ.Pro., 52(a); Armour & Co. v. Wilson & Co., 7 Cir., 274 F.2d 143, 151, 156, 124 USPQ 115, 121, 125 (1960)."

Similarly, the Court of Appeals for the Seventh Circuit in this *Rockwell* case has disagreed with the type of action taken by the Second Circuit in this case in ignoring many of the findings required by *Graham* v. *Deere,* p. 10:

> ". . . While analyzing obviousness and giving general expression to the ultimate resolution may be

> sufficient on rare occasions, we feel it is sounder procedure for a trial court to give verbal expression to *each element* of the Graham v. Deere test." (emphasis added)

CONCLUSION

This points up the great danger and moment for our whole federal judicial system in permitting a technique such as was employed by the Court of Appeals in this case to stand as a precedent. The mischief that the following of this technique will accomplish in all branches of the law is appalling to consider; and we submit that this is entirely worthy and demanding of the attention of the Supreme Court.

The showing *supra* of the recent contrary position taken by the Court of Appeals for the Seventh Circuit with regard both to Rule 52(a) and the requirements of *Graham* v. *Deere* further demonstrates the necessity promptly to stabilize these requirements of appellate procedure.

This is altogether apart from the important consideration that one of those very rare instances of a truly significant invention is arbitrarily being deprived of the Constitutional "reward" re-affirmed by this Supreme Court within the past few weeks in *University of Illinois Foundation* v. *Blonder Tongue Laboratories, Inc.*—an invention which the District Court found was

> "characterized by electronic elegance** . . . and not simply by ingenuity (A. 26a) . . . a deft and imaginative union of elements that was not sug-

** Respondent claims there is no evidence of the significance or importance of this invention. Attention is respectfully invited to A. 46a-47a.

> gested by or inherent in their nature and previous uses. If anything, the art had seen divergent paths where Holtje visualized convergence of function . . . All agree that the elements that Holtje brought into fruitful union had long been in the art for others to synthesize as Holtje did. Only he searched out the new approach." (A. 46a)

It is earnestly urged that the petition should be granted.

Respectfully submitted,

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